

BLACK SLUICE INTERNAL DRAINAGE BOARD

MINUTES

of the proceedings of a meeting of the Executive Committee

held at the Offices of the Board on
4th June 2014 at 2pm

Members

Chairman - * Mr M J Scott

* Cllr P Bedford

* Mr R Leggott

* Mr J R Wray

* Cllr M Brookes

* Mr K C Casswell

* Member Present

In attendance: Mr I Warsap (Chief Executive)
Mr D Withnall (Finance Manager)

544 APOLOGIES FOR ABSENCE

There were no apologies for absence.

545 DECLARATIONS OF INTEREST

There were no declarations of interest.

546 MINUTES OF THE EXECUTIVE MEETING

Minutes of the last meeting held on 15th January 2014, copies of which had been circulated, were considered and it was agreed that they should be signed as a true record.

547 MATTERS ARISING

(a) Sale of Carlton Road - Minute No 479(a)

The Finance Manager stated that the purchasers are awaiting approval of their mortgage loan and an appointment has been booked for a Bank representative to inspect the property.

The Committee asked if there were any other interested parties, the Finance Manager stated that there is a second bidder and the property was still on the market. The Committee AGREED that if no exchange of contract is forthcoming then the Finance Manager should contact the other party.

(b) Eight Year Plant Estimates - Minute No 479(b)

The Chief Executive stated that Irelands had viewed and given valuations on the jetter and dump trailer. They are then going to be placed on the new website for tender.

(c) 2014/15 Budget and Ten Year Projections - Minute No 481

The Finance Manager stated that all employees of the Board are now paid monthly and this has enabled us to continue using our existing accounts and wages software. HBP are working towards the installation of a new server and, as stated in the risk register, UPS to provide emergency power to the comms cabinet for a short time in the event of a power cut.

The Finance Manager demonstrated the new Board's website, he added that it has been very popular at weekends and evenings for paying drainage rates justifying the addition of the paypal feature on the site.

Mr Leggott asked for a comparison on drainage rate collection. The Finance Manager stated that at Period 2 it was down by £10k to last year. There has been an increase in the number of payments by debit card by telephone.

The additional alterations to the depot secure storage area are awaiting Building Regulations approval.

(d) Black Sluice Strategy following the Tidal Surge - Minute No 486

The Finance Manager stated that Boston Borough Council has paid the £49,000 claimed in relation to the Bellwin claim and an additional £18,500 has been received from the Environment Agency for the culvert works at Slippery Gowt for the Boards initial first response and repair works. There may also be further funds available via the FDGiA system.

548 TO RECEIVE (UNAUDITED) 2013/14 FINANCIAL STATEMENTS AND BALANCE SHEET - Agenda Item 5

The Finance Manager presented the unaudited financial statements to the Committee summarising the following points:

- These accounts are to be approved and signed off at the next meeting of the entire Board.
- The annual governance statement included in the Financial Statements is identical to that which the Board will consider as part of the Annual Return.
- There have been no changes to the statement of responsibilities and Accounting Policies.

(i) Income and Expenditure

- 76% increase in Rechargeable works compared to previous year.
£118k
 - £85k May Gurney Dams and Diversion

- £41k Bellwin Payment from BBC
- £18.5k Payment from EA for Culvert repairs at Slippery Gowt
- 623% increase in FDGiA received, hopefully will be even higher in 2014/15 assuming that all our maintenance and schemes can be completed or we can use contractors.
- Interest down 55.28%. Only interest relating to General Reserve is shown. Six years ago this figure was £51,000
- Scheme Works completed with the assistance of FDGiA £493k spent against a budget of £202k.
 - £169k on Drains with £40k deferred into 2014/15 and £33k of culvert replacements not completed.
 - £324k of Pumping Station Schemes
- Pumping Station Maintenance Expenditure returned to more normal levels after the excessive pumping and electric charges in Winter 2012/13.
- Administration Costs reduced in excess of the calculation in the Restructure Proposals and the target set for 2015/16 should be easily achieved.
 - Admin & Establishment 16.38% of Income in 2013/14
 - 24.94% in 2012/13
 - Target for 2015/16 is 20% or £400,000 + inflation from January 2013
- Depot Operational costs were also reduced by 14.72%

(ii) Balance Sheet

- Fixed Assets – Comparable after movements to last year
- Current Assets –
 - Stock Comparable – Fuel Management System now installed and working well.
 - Trade debtors reduced by £30k
 - Cash held artificially high due to Grants and Bellwin payments received but not spent until 2014/15
- Current Liabilities –
 - Trade Creditors up £61k – Timing issue with Payment Run.
- Pension Liability as provided on the FRS17 Report produced by Hymans Robertson (The actuary LCC use for our LGPS) –
 - Increased by £516,000!
 - Increased by £2,222,000 since it was first included in the restated accounts of 2007/08.
- Reserves
 - General Reserve increased by the £30k surplus on the I&E
 - Development Reserve - £30k increase due to large payment made by Double Days for Swineshead development

- Plant Reserve – £25k up on budget approved in January
 - £8635 additional generated
 - Hitachi Sold early at £17k
- Wages On-cost Reserve
 - 122 sick days compared to 153 in previous year
 - Reduction in expenses charged to Reserve
 - Rate unchanged since April 2011 and may be able to be reduced if the current trend continues.

The Chairman asked the Committee to consider a change in the labour recharge rate which currently is 240%. The Committee discussed the impact on budget and the wages oncost reserve and RESOLVED that the rate be reduced to 220% for internal works from the beginning of period 3 and the Finance Manager would monitor the impact.

The Committee AGREED to recommend the accounts to the Board.

549 TO RECEIVE THE 2013/14 INTERNAL AUDIT REPORT - Agenda Item 6

The Finance Manager stated that the aim from the Restructure was to obtain a Substantial Assurance rating. David Gowing confirmed this rating stating that the Black Sluice IDB is the only IDB to attain this.

All the recommendations within the report were highlighted to the Committee and they were satisfied that the management comments and subsequent actions were satisfactory.

The Finance Manager reported to the Committee that Staff had been reminded to comply fully with the Procurement Policy. This has been completed and also the recording and checking of quotes being obtained has been improved.

A Data Transparency Page is to be included on the new website as an index to all the items required by the Accounts and Audit Regulations 2014. IDB's are now legally required to comply with this Act.

550 Bourne North Fen Farm Account - Agenda Item 7

The Finance Manager presented his report stating that income had increased with an additional £2,100 portfolio management costs. Net result is an increase in the surplus to £1,246.

551 TO RECEIVE THE 2014/15 INTERNAL AUDIT STRATEGY AND PLAN - Agenda Item 8

The Finance Manager stated that the proposed Internal Audit Strategy and Plan is standard. A provision for additional work has been added if there is a requirement due to compliance with the new practitioners guide if and when it surfaces and the Audit and Accountability Act 2014.

552 TO REVIEW THE PENSION DISCRETION POLICIES - Agenda Item 9

The Finance Manager presented the new Pension Discretion Policy which has been reviewed by the Audit & Risk and will be presented to the Board on 25th June 2014.

In the past the Board has stated that they follow the policies of Lincolnshire County Council but from 2008 it became a requirement for the Board to have their own Discretion policies. The following three sets of policies are based upon when an employee leaves the employment of the Board. Only the "Post 2014" policy can be changed and all policies need to be approved by the Board by 30th June 2014.

(a) Discretion for Employees

This policy refers to members of staff who left the Boards employed before 31st March 2008 and cannot be changed.

(b) Discretionary Compensation on Early Termination of Employment

This policy came into force 1st April 2008 and has been replaced with the new pension scheme from 1st April 2014 and cannot be changed.

(c) Exercise of Discretions within the Local Government Pension Scheme

The Finance Manager updated the committee on the meeting held with Mouchel, administrators of the Lincolnshire County Council Pension Scheme and the way the policy was reviewed at the Audit and Risk Committee.

It was noted by the committee that most options had been left to be reviewed on a case by case basis giving consideration to the financial implications.

The Committee RESOLVED to recommend that the above policies be approved by the Board.

553 PERIOD 1 MANAGEMENT ACCOUNT - Agenda Item 10

The Finance Manager stated that the accounts reporting software has been updated with additional training undertaken by the Finance Manager and Finance Assistant. He presented a view of a new set of reports which has been developed to enable the effective financial management of the Board.

These are easier to produce and update at anytime. The Committee were requested to outline which summary pages are required for review by the Executive and Board in the future.

554 TO CONSIDER FUTURE INVESTMENTS OF THE BOARD - Agenda Item 11

The Finance Manager stated that currently interest rates are very low. He presented a schedule reporting a range of opportunities for investment and recommendations to the Committee.

The Committee AGREED to the following investments;

- (a) An additional [REDACTED] is invested in Monmouthshire Building Society.
- (b) [REDACTED] to be invested in Nationwide for six months.
- (c) The remainder to remain in the Natwest Reserve account.

555 TO REVIEW THE 2014/15 WORKS SCHEMES - Agenda Item 12

The Chief Executive updated the Committee on the current works schemes;

- Summer cutting works progressing
- FDGiA for drainage schemes Kirton Meeres
- Cooks Lock £80k eel passes scheme
- FDGiA Graft drain grant split over two years
- Northgate to West Pinchbeck drainage improvements with 30 culverts, to start at Money Bridge Lane.

556 TO CONSIDER WORKS TO BE FUNDED FROM THE DEVELOPMENT FUND - Agenda Item 13

The Chief Executive outlined the proposal in the Agenda papers to reconstruct the Wyberton Roads culvert with a 2.10m diameter pipe and requested confirmation that £70k be funded from the Development Account to complete these works.

The Committee AGREED to recommend to the Board.

557 TO CONSIDER INSTALLATION OF SOLAR PANELS ON THE HEADQUARTERS ROOF - Agenda Item 14

The Committee discussed the proposal in principle, Members were in agreement that installation of solar panels on the Headquarters would be beneficial given the current lack of investment opportunities in the financial market. The Committee requested further quotations to be sourced.

558 STAFF & WORKFORCE MATTERS - Agenda Item 15

(a) Administration Apprentice

The Committee reviewed the report produced and following discussions approved the employment of an Administration Apprentice.

559 ANY OTHER BUSINESS - Agenda Item 16

(a) Health & Safety Consultants

The Chief Executive outlined the proposal for Health & Safety Consultants to the Board. He informed the committee that the contract has been placed with Copes for 5 years.

(b) Riparian Enforcement Sub-Committee

The Chief Executive stated that, he considers there is a requirement for a Sub-Committee to review Riparian problems and the methodology and policy for commencing enforcement action.

The Committee discussed and AGREED that the Culverts & Bridges Committee could review this subject with the addition of both Vice Chairman from the Southern and Northern Works Committees.

(c) Members Expenses Claim Forms

The Finance Manager proposed the issue of an expenses claim form for elected members to consent for expenses to be transferred to Chairman's account for social activities and to state they haven't claimed them from elsewhere.

Mr Leggott informed the committee that Welland & Deepings IDB have issued all their members with claim forms, the Committee requested that the Finance Manager investigate and follow suit.

(d) Ditch Management Guidance for IDBs

The Chief Executive handed the Committee a report on Ditch management and compliance with Environmental Stewardship schemes. The Committee Members discussed and came to the conclusion that it needs simplifying and involvement from the NFU.

The Chairman agreed to review this report.

There being no further business the meeting closed at 4pm.